



Richard Lind
President, CHBA

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GST Rebate Thresholds Need Updating

New home builders — and their customers — know only too well that the federal government's thresholds for the GST rebate on new housing need to be updated.

By not indexing the rebate thresholds to reflect inflation and rising house prices, the federal government reaps a tax windfall that simply grows larger every year. This is unfair, and it contradicts promises made by the federal government when the GST was first introduced in 1991.

Recently, the CHBA commissioned new research to calculate the current extent of this unfairness. The results are eye opening!

If the rebate thresholds had been indexed to reflect the government's own New House Price Index, the reduction threshold for the rebate in 2007 would only affect homes selling for \$490,000 or more, and the rebate would be fully eliminated only for homes selling for more than \$630,000. This is a far cry from the current rebate threshold range of \$350,000 to \$450,000.

What this means, in terms of extra GST collected from new home buyers, is very significant. The research determined that, during 2007, lack of indexing will cost home buyers an extra \$275 to \$285 million. That is a great deal of money and, given that most of this sum will be financed through mortgages, the true cost to consumers will be much higher. It represents a significant negative impact on housing affordability. It means young people who would otherwise be able to purchase a first home may be shut out of the market.

The CHBA will continue its efforts to get the federal government to live up to promises it made regarding indexation of the GST rebate on new homes. This is a matter of principle. But it is also a very practical issue. The federal government can reduce the cost Canadians pay for a new home by over \$275 million this year, simply by doing the right thing.

Over the coming months, the Association will make certain that federal policy makers are reminded of this fact, clearly and frequently.

Green Building

Sound "green" building is another important issue for all of us. That's why I'm so pleased with the reports coming back from a new Green initiative by the CHBA Manufacturers' Council.

It started in July, when the Council held a one-day session with leading new home builders and renovators. Every person there had examples of what their companies are doing on environmentally responsible products.

They reported mixed demand, depending on the type of product, price and how it is "packaged" by builders, but all found increased interest. Customer motivations range from saving money to saving the planet, with many individual causes as well. Some types of products and

equipment are still in the "pioneer" or "early adopter" stages. Energy efficiency is reaching general acceptance, helped by the pull of rising energy prices.

Confusion about different claims and labels was discussed — I think we've all seen that. Builders need clear information that is useful specifically for their customers. We also need relevant technical data for building program requirements, and a central place to find and compare information.

The new Manufacturers' Council Web site located in the Members' area of www.cbha.ca already provides a single source for member companies' contacts, and direct links for technical services and documentation, education and training, point-of-sale support, marketing assistance, and "what's new" releases.

The Council is collecting existing Green information from its members, and reviewing the documentation requirements of the different rating systems. Look for new Web site content on green products, programs and capacities, and a new brochure, over the coming months... and other initiatives as this unfolds!

Get Involved with EnviroHome

The last issue of *Home BUILDER Magazine* profiled three recent EnviroHome projects across the country. I had the pleasure of visiting one of these EnviroHomes and was very impressed by what the builders have accomplished.

EnviroHome is the CHBA's own initiative for helping new home builders market energy efficient and healthy homes, based on the R-2000 Standard. With the support of TD Canada Trust, EnviroHome provides builders with a simple, clear promotional concept that has proven to be very effective at attracting both media and consumer attention.

Given the growing interest that consumers have in "greener" homes with less impact on the environment, it is an excellent time for CHBA new home builder members to take advantage of what EnviroHome offers.

If you are an R-2000 builder, the process for gaining EnviroHome recognition for a project is simple and straightforward. Get in touch with Jack Mantyla at the CHBA National Office for more information. Support is available for additional projects in 2007, so you should act now.

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